

## Message Text

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PAGE 01 EC BRU 03940 01 OF 02 201911Z  
ACTION EUR-12

INFO OCT-01 EA-07 ISO-00 EURE-00 SSO-00 NSCE-00 USIE-00  
INRE-00 CIAE-00 DODE-00 PM-04 H-01 INR-07 L-03  
NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 AID-05  
CEA-01 COME-00 EB-08 FRB-03 STR-04 TRSE-00 LAB-04  
SIL-01 OMB-01 FEAE-00 OES-06 /092 W  
-----201937Z 030132 /44

O R 201752Z APR 77  
FM USMISSION EC BRUSSELS  
TO SECSTATE WASHDC IMMEDIATE 3560  
INFO AMEMBASSY LONDON  
AMEMBASSY OTTAWA  
AMEMBASSY BERN  
AMEMBASSY TOKYO  
AMEMBASSY STOCKHOLM  
AMEMBASSY CANBERRA  
AMEMBASSY MADRID  
OECD PARIS 4473

C O N F I D E N T I A L SECTION 1 OF 2 EC BRUSSELS 03940

DEPARTMENT PLEASE PASS STEVE BOSWORTH

E.O. 11652: GDS  
TAGS: EEC, CA, US  
SUBJECT: CIEC: US/CANADIAN/COMMUNITY APPROACHES TO THE G-19  
BEFORE APRIL 24

1. COMMISSION SOURCES TELL US THAT THE COMMUNITY'S  
HIGH-LEVEL GROUP DECIDED APRIL 19 TO REQUEST THAT  
THE UNITED STATES APPROACH TO THE G-19 BE MADE ONLY  
ON BEHALF OF THE UNITED STATES AND NOT ON BEHALF OF  
THE G-8 AND, IN ADDITION, THAT THE US APPROACH BE  
MADE VERBALLY RATHER THAN BY MEANS OF A WRITTEN PIECE  
OF PAPER. THE HIGH-LEVEL GROUP DECIDED TO PASS THE SAME  
REQUEST TO THE CANADIANS (WE ARE FURTHER INFGRMED  
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PAGE 02 EC BRU 03940 01 OF 02 201911Z

THAT THOUGH THE COMMUNITY REPRESENTATIVES FOUND THE  
TEXT OF THE US NOTE MORE OR LESS ACCEPTABLE, THEY  
THOUGHT THAT THE CANADIAN LANGUAGE WAS NOT PAR-  
TICULARLY GOOD). THE COMMUNITY PROPOSES ALSO MAKING  
AN APPROACH TO THE G-19 GOVERNMENTS ON AN ORAL BASIS,  
AS WE UNDERSTAND, THROUGH THE EMBASSIES OF THE  
PRESIDENCY ) (UK) IN THE CAPITALS OF THE G-19. THE

COMMUNITY WISH THAT THE DEMARCHES BE MADE ORALLY, RATHER THAN BY WRITTEN DOCUMENT IN ORDER TO AVOID HAVING CONFLICTING PAPERS CIRCULATING IN THE G-19.

2. THE COMMISSION HAS FURNISHED US A COPY OF THE COMMUNITY TEXT AGREED IN THE HIGH-LEVEL GROUP AND WE ARE TOLD THAT IT IS BEING TRANSMITTED TO WASHINGTON AND TO THE OTHER G-8 CAPITALS BEFORE DELIVERY TO THE G-19. HOWEVER, ON THE OFF CHANCE THAT WASHINGTON HAS NOT YET RECEIVED IT, IT IS QUOTED BELOW:

BEGIN QUOTE: RESUMPTION OF THE CIEC - SPEAKING NOTE FOR COMMUNITY REPRESENTATIVES TO USE WITH REPRESENTATIVES OF G-19 GOVERNMENTS BEFORE 24 APRIL

THE FOLLOWING IS THE TEXT OF A SPEAKING NOTE FOR USE BY COMMUNITY REPRESENTATIVES WITH REPRESENTATIVES OF THE G-19, BEFORE THE RESUMPTION OF THE CIEC. NO PART OF THESE REPRESENTATIONS SHOULD BE HANDED OVER IN WRITING. REPRESENTATIVES SHOULD MAKE IT CLEAR THAT THE PURPOSE OF THE APPROACH IS TO RE-ESTABLISH CONTACT WITH MEMBERS OF THE G-19. AFTER A PERIOD OF SEVERAL MONTHS' INTERRUPTION OF THE CONFERENCE, AND TO SET A CONSTRUCTIVE TONE FOR THE RESUMPTION SO AS TO GET IT OFF TO A GOOD START. REPRESENTATIVES SHOULD STRESS THE IMPORTANCE THE COMMUNITY ATTACHES TO STARTING IMMEDIATELY ON 26 APRIL TO TRY TO REACH AGREEMENT ON PARTICULAR POINTS WHERE POSSIBLE SO AS TO GENERATE A MOMENTUM FOR SUCCESS:

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PAGE 03 EC BRU 03940 01 OF 02 201911Z

A. AT THE EUROPEAN COUNCIL IN ROME OF 25 MARCH, THE EEC HEADS OF GOVERNMENT TREATED THE "NORTH/SOUTH DIALOGUE" AS AN ISSUE OF SPECIAL IMPORTANCE. THIS WAS FULLY REFLECTED IN THE STATEMENT ISSUED ON THAT OCCASION. THE COMMUNITY'S OBJECTIVE IN THIS DIALOGUE IS TO FOSTER MORE STABLE POLITICAL AND ECONOMIC RELATIONSHIPS BETWEEN INDUSTRIALIZED AND DEVELOPING COUNTRIES.

B. THE COMMUNITY'S APPROACH, WHEN THE CIEC RESUMES IN PARIS, ON 26 APRIL, WILL CONTINUE TO BE CONSTRUCTIVE AND POSITIVE. THE COMMUNITY WORKING TO SECURE AN OUTCOME WHICH WILL BRING THE CONFERENCE TO A CONCLUSION THAT WILL BE SATISFACTORY TO ALL CONCERNED.

C. DURING THE PERIOD SINCE THE CIEC BEGAN, THERE HAS BEEN SIGNIFICANT PROGRESS IN A NUMBER OF FIELDS IN NORTH/SOUTH RELATIONS. DURING 1976, FOR EXAMPLE, WE

HAVE SEEN SUBSTANTIAL PROGRESS TOWARDS A FIFTH  
REPLENISHMENT OF IDA, AN AGREEMENT ON LIBERALIZATION  
OF THE IMF COMPENSATORY FINANCING FACILITY AND THE  
LAUNCHING OF THE INTERNATIONAL FUND FOR AGRICULTURAL  
DEVELOPMENT. THERE ARE PROSPECTS FOR FURTHER PROGRESS,  
FOR EXAMPLE, IN TRADING RELATIONSHIPS IN THE MULTI-  
LATERAL TRADE NEGOTIATIONS AND IN MULTILATERAL  
FINANCING OF DEVELOPMENT THROUGH THE PROPOSALS FOR AN  
INCREASE IN THE CAPITAL OF THE IBRD. THERE IS ALSO  
THE PROSPECT THAT AT THE IMF INTERIM COVMITTEE ACTION  
MAY BE SET IN TRAIN THAT WILL HELP TO DEAL WITH CERTAIN  
OF THE PROBLEMS OF DEVELOPING COUNTRIES.

D.ALL THESE DEVELOPMENTS, ACHIEVED OR IN PROSPECT,  
SHOULD BE SEEN IN THE CONTEXT OF THE NORTH/SOUTH  
DIALOGUE AND DUE NOTE NEEDS TO BE TAKEN OF THEM IN  
THE CONCLUSION OF THE CIEC. THIS WILL HELP TO NAORROW  
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PAGE 04 EC BRU 03940 01 OF 02 201911Z

DOWN THE AREAS FOR DISCUSSION IN THE FINAL STAGE TO  
THE KEY TOPICS ON WHICH, IN THE COMMUNITY'S VIEW, THE

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PAGE 01 EC BRU 03940 02 OF 02 201930Z  
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C O N F I D E N T I A L SECTION 2 OF 2 EC BRUSSELS 03940

DEPARTMENT PLEASE PASS STEVE BOSWORTH

CONCLUDING MINISTERIAL SESSION OF THE CIEC FROM 30 MAY TO 1 JUNE SHOULD CONCENTRATE: ENERGY, RAW MATERIALS, TRANSFER OF RESOURCES AND INDEBTEDNESS (SEE POINT BELOW) AND THE PROMOTION AND PROTECTION OF INVESTMENT IN DEVELOPING COUNTRIES. THE COMMUNITY WILL BE PREPARED TO SET OUT ITS POSITION FULLY ON THESE QUESTIONS IN THE COURSE OF THE CONFERENCE.

3. IN THE MEANTIME, IN THE INTERESTS OF CONTRIBUTING TO A MOMENTUM TOWARDS AGREEMENT AT THE CONFERENCE, THE COMMUNITY WISHES TO GIVE A PRELIMINARY INDICATION OF ITS THINKING IN CERTAIN AREAS OF CARDINAL IMPORTANCE.

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PAGE 02 EC BRU 03940 02 OF 02 201930Z

F. IN THE FIELD OF RAW MATERIALS, THE COMMUNITY HAS DECLARED ITS VIEW THAT THERE SHOULD BE BOTH COMMODITY PRICE STABILIZATION AGREEMENTS, WHERE APPROPRIATE, AND A COMMON FUND. AS FAR AS RAW MATERIALS' PRICES ARE CONCERNED, THE ACCEPTED PURPOSE OF THESE ARRANGEMENTS WOULD BE TO STABILIZE PRICES AROUND THE LONGER-TERM TREND. THE CIEC OFFERS AN OPPORTUNITY TO ENDORSE THIS CONCEPT WHICH THE COMMUNITY HOPES WILL BE TAKEN AND TO PURSUE FURTHER DISCUSSION OF THESE MATTERS. THE COMMUNITY HAS ANNOUNCED THAT IT WILL STUDY EXPORT EARNINGS STABILIZATION MEASURES FOR DEVELOPING COUNTRIES. THIS IS AN AMBITIOUS PROGRAM, FOR WHICH TIME AND WORK WILL BE NEEDED IN THE APPROPRIATE FORA. IN THE CIEC, THE COMMUNITY HOPES THAT IT WILL BE POSSIBLE TO REACH MUTUAL AGREEMENT TO THE EXTENT NECESSARY TO ENABLE THE PARTICIPANTS TO POINT THE WAY FORWARD FOR THE DETAILED WORK WHICH WILL BE GOING ON IN UNCTAD AND IN OTHER BODIES.

G. PROPOSALS HAVE ALREADY BEEN PUT FORWARD IN THE CONFERENCE FOR AGREED PROCEDURES ON PROBLEMS OF INDEBTEDNESS. IN ADDITION, THE COMMUNITY WILL BE PREPARED TO DISCUSS AT THE CONFERENCE THE POSSIBILITY OF SPECIAL ACTION IN THE FIELD OF TRANSFER OF RESOURCES, WHICH CAN BE CLEARLY IDENTIFIED AS BEING THE RESULT OF THE CIEC, TO HELP TO MEET THE IMMEDIATE NEEDS OF INDIVIDUAL DEVELOPING COUNTRIES, IN PARTICULAR AMONG LEAST DEVELOPED AND MOST SERIOUSLY AFFECTED DEVELOPING COUNTRIES WHERE DEVELOPMENT PROSPECTS HAVE BEEN

SERIOUSLY AFFECTED BY EXTERNAL FACTORS. IF THE QUESTION OF GENERALIZED DEBT RELIEF IS RAISED COMMUNITY REPRESENTATIVES SHOULD REPLY THAT DISCUSSIONS HAVE ALREADY SHOWN THAT MANY COUNTRIES WOULD SEE SERIOUS DISADVANTAGES ON THE MORE FAR-REACHING MEASURES WHICH HAVE BEEN PROPOSED.

H. IN THE COMMUNITY'S VIEW, THERE IS A RESPONSIBILITY  
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PAGE 03 EC BRU 03940 02 OF 02 201930Z

ON EVERY PARTICIPANT IN THE CIEC, INDUSTRIALIZED AND DEVELOPING ALIKE, TO MAKE THEIR CONTRIBUTION TOWARDS A BETTER INTERNATIONAL ECONOMIC ENVIRONMENT. THE COMMUNITY HAS GIVEN IN THIS APPROACH AND IN ITS PARTICIPATION ON THE CONFERENCE AN INDICATION OF SOME OF THE ELEMENTS IN ITS THINKING ABOUT THE KIND OF CONTRIBUTIONS IT WILL BE MAKING. IT EXPECTS THAT COMMENSURATE EFFORTS WILL BE MADE BY OTHER PARTICIPANTS, INCLUDING SUPPLIERS OF KEY RESOURCES (BOTH OF RAW MATERIALS AND ENERGY) TO THE INDUSTRIES AND CONSUMERS OF ALL COUNTRIES. THE COMMUNITY ATTACHES IMPORTANCE TO REACHING A CONSENSUS ON POINTS REGARDING ENERGY WHICH IT HAS RAISED IN THE CONFERENCE. THE COMMUNITY SEES THE CIEC AS AN OPPORTUNITY FOR GREATER RECOGNITION TO BE GIVEN TO SECURITY OF SUPPLIES, STABILITY OF PRICES, AND A HEALTHY CLIMATE FOR INVESTMENT. THESE ARE NECESSARY CONDITIONS FOR A BALANCED AND EXPANDING WORLD ECONOMY. THE COMMUNITY WILL DO ITS UTMOST ON THE CIEC TO CONTRIBUTE TO THESE AIMS. IT HOPES THAT OTHER PARTICIPANTS WILL APPROACH THE RESUMPTION OF THE CONFERENCE IN THE SAME SPIRIT. END QUOTE  
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## Message Attributes

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**Status:** NATIVE  
**Subject:** CIEC: US/CANADIAN/COMMUNITY APPROACHES TO THE G-19 BEFORE APRIL 24  
**TAGS:** EGEN, CA, US, XG, EEC, G-19, G-8  
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**Type:** TE  
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